

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 04454 180624Z

21

ACTION NEA-10

INFO OCT-01 EUR-08 ISO-00 IO-04 FEA-01 AEC-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-04 FPC-01

H-01 INR-05 INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03

RSC-01 SAM-01 SCI-02 SP-02 SS-15 STR-01 TRSE-00

FRB-01 PA-01 PRS-01 USIA-06 DRC-01 /094 W

----- 032253

R 180512Z OCT 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 1229

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

AMEMBASSY VIENNA

C O N F I D E N T I A L KUWAIT 4454

FROM PAGANELLI DOHA

EO 11652: GDS

TAGS: PFOR ENRG QA US

SUBJ: ENERGY: VIEWS OF QATARI MINISTER OF OIL AND FINANCE

1. SUMMARY: QATARI OIL MINISTER SHARES OUR CONCERN RE INFLATIONARY SPIRAL'S THREAT TO WORLD ECONOMIC AND POLITICAL STABILITY, OPPOSES FURTHER OIL PRICE INCREASES, AND ASSERTS THAT GOQ DOES NOT WANT OIL PRICE ISSUE TO DAMAGE EXCELLENT US-QATARI RELATIONS. HOWEVER, HE TOOK FAMILIAR LINE THAT PRODUCERS' REVENUES MUST KEEP PACE WITH INFLATED PRICES OF WHAT THEY MUST IMPORT, AND THAT OIL PRICE ISSUE MUST BE SETTLED IN CONTEXT OF INTERNATIONAL DISCUSSIONS ON PRICES OF ALL OTHER COMMODITIES AND MANUFACTURERS. GOQ OIL MINISTER WAS PLEASED BY SPECIAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 04454 180624Z

ATTENTION FROM DEPT AND TREASURY DURING HIS RECENT ATTENDANCE

AT WASHINGTON MEETINGS OF WORLD BANK/IMF.

2. ON OCT 9 I CALLED ON QATARI MINISTER OF OIL AND FINANCE SHAYKH ABDUL AZIZ BIN KHALIFA AL THANI, WHO HAD JUST RETURNED FROM WORLD BANK/IMF MEETINGS IN WASHINGTON. I ASKED FOR HIS IMPRESSIONS OF WASHINGTON MEETING NOTING THAT HE HAD BEEN IN US DURING RECENT STATEMENTS OF PRESIDENT AND SECRETARY ON OIL PRICE SITUATION. I EXPRESSED HOPE THAT IT WAS CLEAR TO ABDUL AZIZ THAT US INTENT WAS TO EXPRESS ITS DEEP CONCERN OVER OIL PRICE THREAT TO WORLD ECONOMIC STABILITY AND TO SEEK COOPERATION AND NOT (RPT NOT) CONFRONTATION BETWEEN PRODUCERS AND CONSUMERS.

3. ABDUL AZIZ REPLIED THAT HE WAS OPPOSED TO FURTHER OIL PRICE INCREASES AND THAT HE TOO WAS CONCERNED ABOUT WORLD INFLATIONARY SPIRAL AND THREAT IT POSED TO ECONOMIC AND POLITICAL STABILITY. HE NOTED THAT OPEC AT ITS RECENT MEETING HAD AGREED TO SET PRICE ON YEARLY BASIS AND TO HOLD PRESENT PRICE LINE. ON OTHER HAND, HE SAID THAT PRODUCERS LIKE QATAR, WHICH ALMOST COMPLETELY DEPENDENT ON IMPORTS OF FULL RANGE OF NECESSITIES, ALSO AFFECTED BY PRICE INFLATION AND THEREFORE MUST GET PROPORTIONATE RETURN FOR OIL. HE EMPHASIZED HOWEVER THAT GOQ DOES NOT (RPT NOT) WISH TO DAMAGE ITS EXCELLENT RELATIONS WITH THE US OVER THE OIL PRICE ISSUE. IN THIS CONTEXT, ABDUL AZIZ MENTIONED SENATOR JACKSON'S SPEECH BEFORE WORLD BANK/IMF MEETING IN WHICH, ACCORDING ABDUL AZIZ, THE SENATOR SUGGESTED US SHOULD USE ITS FOOD RESOURCES AS WEAPON AGAINST OIL PRODUCERS. HE SAID HE SHARPLY DISAGREED WITH JACKSON, ALTHOUGH OF COURSE SENATOR ENTITLED TO HIS OPINION. HE ADDED THAT HE FULLY UNDERSTOOD THAT JACKSON'S COMMENTS REPRESENTED HIS OWN VIEWS AND NOT (RPT NOT) US POLICY.

4. RE OPEC'S HOLDING OF PRICE LINE, I REPLIED THAT OPEC'S DECREED TAX INCREASE HAD EFFECT OF RAISING PRICES EVEN THOUGH POSTED PRICE REMAINED UNCHANGED. AS EXAMPLE OF INSTABILITY SUPURRED BY OIL PRICE INCREASES, I CITED THE ITALIAN SITUATION NOTING THAT GOVERNMENT HAD FALLEN BECAUSE OF ECONOMIC CRISIS AND COMMUNISTS USING OPPORTUNITY TO DEMAND SHARE OF POWER IN ITALY. ABDUL AZIZ ACKNOWLEDGED THESE POINTS, AND REITERATED FAMILIAR REFRAIN THAT GENERAL QUESTION OF OIL AND OTHER PRICES SHOULD BE RESOLVED AT INTERNATIONAL LEVEL BY DISCUSSIONS BETWEEN

CONFIDENTIAL

PAGE 03 KUWAIT 04454 180624Z

PRODUCERS AND CONSUMERS.

5. FURTHER RE WASHINGTON VISIT, ABDUL AZIZ EXPRESSED APPRECIATION FOR LUNCH IN HIS HONOR HOSTED BY NEA ASST SECY ATHERTON, AND FOR MEETING WITH TREASURY ASST SECY PARSKY. ACCORDING ABDUL AZIZ, HIS DISCUSSIONS WITH DEPT AND TREASURY OFFICIALS TOUCHED ON INVESTMENT AND FINANCIAL COOPERATION BETWEEN GOQ AND US, AND HE WAS PROMISED THAT US SPECIFIC SUGGESTIONS WOULD FOLLOW.

6. COMMENT: ABDUL AZIZ WAS OBVIOUSLY VERY PLEASED AND IMPRESSED BY INDIVIDUAL ATTENTION HE RECEIVED AT DEPT AND TREASURY. GESTURE OF THIS SORT IS OF GREAT VALUE TO US HERE, AND I APPRECIATE DEPT'S RESPONDING TO MY REQUEST FOR SOME SPECIAL TREATMENT. I HAVE REQUESTED REPORT ON CONVERSATIONS WITH ABDUL AZIZ AND WILL BE FOLLOWING UP WITH HIM AS APPROPRIATE ON SUBJECTS DISCUSSED.

MAU

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, INFLATION, PRICES, ROYALTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT04454
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740296-1071
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741036/aaaabeof.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAR 2002 by elyme>; APPROVED <22 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: VIEWS OF QATARI MINISTER OF OIL AND FINANCE
TAGS: PFOR, ENRG, QA, US, OPEC, (AZIZ, ABDUL)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005